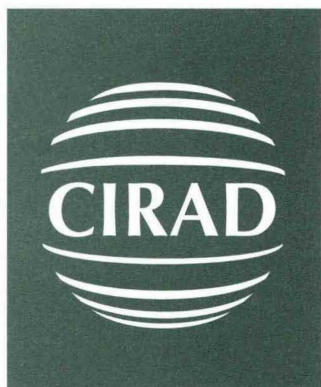

Département territoires,
environnement et acteurs
Cirad-tera



RAPPORT DE MISSION

SÉMINAIRE INTERNATIONAL

**“INNOVATIONS IN MICROFINANCE FOR THE
RURAL POOR - EXCHANGE OF KNOWLEDGE AND
IMPLICATIONS FOR POLICY”**

Accra - Ghana

9-14 novembre 1998

Betty WAMPFLER
Janvier 1999
CIRAD-TERA n° 004/99

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Résumé

Ce rapport présente le compte rendu du séminaire International qui s'est tenu à Accra du 9 au 14 novembre 1998, sur le thème : "Les innovations en matière de microfinance pour les ruraux pauvres - Echange de connaissance et implications politiques". Ce séminaire avait pour objectif , à travers la rencontre entre différents types d'acteurs de la microfinance (opérateurs, bailleurs de fonds, responsables politiques, chercheurs), de faire le point de dix ans de développement de la microfinance dans le monde, d'identifier les innovations à promouvoir pour améliorer l'impact de la microfinance au profit des populations rurales "pauvres" et de dégager des recommandations politiques sur ce thème. Le CIRAD a présenté une contribution sur l'analyse des besoins et des stratégies des ménages ruraux dans des contextes marqués par une forte incertitude (milieu sahélien), ainsi que son programme de recherche (ATP) portant sur le rôle du microfinancement dans le financement de l'agriculture.

Mots -clé : microfinance, épargne, crédit, assurance, agriculture, impact

SOMMAIRE

Introduction : Objectifs de la mission

I - Contenu du séminaire

1. Contexte
2. Objectifs du séminaire
3. Les caractéristiques des participants
4. Un facteur clé de réussite du séminaire : un programme équilibré et maîtrisé + une méthode d'animation efficace
5. Les principaux résultats
6. Contributions du CIRAD
7. Recommandations dégagées par le séminaire

II . Résultats des contacts établis pendant le séminaire

1. IFPRI /M.Zeller /C. Lapenu
2. GTZ / FAO
3. IFAD
4. Contacts divers offrant des perspectives d'avenir

III. Perspectives et enseignements à tirer du séminaire pour le CIRAD

ANNEXES :

1. Programme du séminaire
2. Liste des participants
3. Déclaration d'Accra
4. Communication présentée par le CIRAD
5. Posters ATP Financement de l'agriculture
6. Plaquette de présentation Site Pôle Microfinancement

INTRODUCTION : Objectifs de la mission

La mission effectuée par B. Wampfler du 7 au 14 novembre 1998 avait pour objectif de participer au séminaire international d'Accra, portant sur " Les innovations en matière de microfinance pour les ruraux pauvres - Echange de connaissance et implications politiques".

Ce séminaire était co-organisé par l'IFPRI, l'IFAD, la DES, et la Banque Centrale du Ghana.

Dans le cadre de ses activités de recherche sur le Développement des Systèmes Financiers ruraux, le CIRAD, en la personne de M. Benoit-Cattin, a participé à l'élaboration du séminaire, en tant que membre du steering Comity.

Les objectifs spécifiques assignés à la mission, étaient de :

- 1 - participer au séminaire d'Accra en y représentant le CIRAD, et plus globalement le recherche française sur ce thème (aucune autre institution de recherche française n'étant réellement engagée sur ce thème)
- 2 - présenter différents travaux du CIRAD en matière de microfinancement à travers :
 - une communication en session plénière présentant une analyse de la demande en matière de financement rural en Afrique de l'Ouest
 - la présentation en poster du programme de recherche du CIRAD sur le Financement de l'agriculture
 - la présentation du site Internet CIRAD/GRET " Pôle Microfinancement"
- 3 - identifier les demandes de recherche à venir sur le thème du microfinancement et les bailleurs de fonds intéressés par ces thèmes
- 4 - discuter avec l'IFPRI de la poursuite de la collaboration engagée en 1998 sur les études Financement de l'agriculture à Madagascar

<h2>I - Contenu du séminaire</h2>
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1. Contexte

En 1991, alors que le développement de la microfinance rurale était encore largement balbutiant, notamment en Afrique, le CIRAD organisait en collaboration avec l'Université d'Ohio, le séminaire international de Ouagadougou portant sur "Finance et développement rural en Afrique de l'Ouest". Les thèmes majeurs de ce séminaire reflétaient le questionnement de la communauté internationale :

- pourquoi la microfinance ¹ ?
- quels sont les besoins de financement des ménages ruraux n'ayant pas accès au système bancaire classique du fait de leur isolement, de leur pauvreté ...
- comment créer des institutions capables d'apporter durablement à ces ménages, les services financiers dont ils ont besoin pour leur développement ?

Les systèmes financiers ruraux (SFR) se sont fortement développés depuis une dizaine d'années dans la plupart des pays du Sud et un large consensus existe aujourd'hui pour les considérer comme un levier majeur du développement. Les enjeux ont profondément évolué et se concentrent maintenant sur l'institutionnalisation des SFR, leur changement d'échelle et leur insertion dans les marchés financiers nationaux. Cependant, au sein de ces enjeux d'ordre organisationnel et institutionnel, la question de l'impact de ces institutions et de leur rôle dans la lutte contre la pauvreté reste posée.

Les objectifs du séminaire d'Accra reflètent ces enjeux.

2. Objectifs du séminaire

L'objectif global du séminaire était d'identifier les enjeux majeurs actuels de la microfinance et de promouvoir les innovations conceptuelles et pratiques permettant de développer les services financiers ruraux et d'améliorer leur impact en matière de lutte contre la pauvreté.

Plus précisément, il s'agissait de :

- **faire un état des lieux des acquis et des questions** au bout de dix ans de développement de la microfinance
- identifier **les enjeux actuels et les innovations** à promouvoir en matière de microfinance pour réduire la pauvreté, à partir de :
 - * l'analyse de la demande des ménages et des producteurs agricoles en matière de services financiers
 - * l'analyse d'impact des IMF existant
 - * l'analyse des formes d'institutionnalisation et de pérennisation des services financiers ruraux
- renforcer, sur ces bases, les **partenariats** entre les opérateurs, les bailleurs de fonds, et la recherche
- définir un **programme d'action opérationnel** à travers des recommandations aux différentes catégories d'acteurs présents : opérateurs, bailleurs, décideurs politiques, chercheurs.

¹ Le vocabulaire utilisé dans ce domaine a évolué au cours de la dernière décennie. A l'origine, dans le monde francophone, les expériences d'épargne crédit étaient caractérisées par leur dimension géographique ou institutionnelle : "systèmes financiers ruraux", "systèmes financiers décentralisés". Aujourd'hui, le vocabulaire utilisé se standardise progressivement autour des termes anglo-saxons de "microfinance", "institutions de microfinancement (IMF)". Le qualificatif "micro" se réfère non pas à la taille des institutions, mais à la dimension des opérations financières qui portent toujours dans ces institutions sur des petits crédits (et une capacité d'épargne limitée).

Ces objectifs, s'ils reflètent des enjeux généraux de la microfinance, sont aussi marqués par les caractéristiques fortes des institutions organisatrices du séminaire : enjeux liés à la sécurité alimentaire et à la pauvreté pour l'IFPRI, au développement de l'agriculture pour l'IFAD. Il est intéressant de comparer cette approche avec celle d'autres séminaires sur le thème de la microfinance organisés à la même période, centrés sur les questions de l'équilibre financier, enjeu prioritaire pour les IMF (Banque Mondiale), les formes d'institutionnalisation juridique des IMF (), les relations entre Banques commerciales et IMF (Coopération française)....

3. Les caractéristiques des participants

La diversité des participants, l'objectif d'échange entre praticiens, bailleurs, responsables politiques, banquiers et chercheurs a été un des points forts de ce séminaire (Annexe 1).

Etaient représentés :

- la recherche : l'IFPRI, l'Université de Hohenheim, les Universités de Laval, Madagascar, Ougadougou, le CIRAD
- des praticiens : opérateurs d'institutions de microfinance d'Afrique de l'Ouest et d'Afrique de l'Est, d'Asie, d'Amérique latine, représentants de réseaux d'IMF
- des banques : Banques agricoles, banques commerciales (Afrique de l'Est et Ghana)
- des bailleurs de fonds/ organismes internationaux : BMZ, IFAD, GTZ, FAO, Banque Mondiale (la France n'était pas représentée).
- des responsables politiques nationaux : Ministères des Finances, du Plan, de l'Agriculture (Afrique de l'Est et Ghana essentiellement)

4. Un facteur clé de réussite du séminaire : un programme équilibré et maîtrisé + une méthode d'animation efficace

Le programme du séminaire (Annexe 2) combinait des séances plénières permettant l'exposé de synthèses et d'études de cas, les sessions de travaux de groupe et, exercice plus rare et plus difficile, des plénières de production de synthèse par l'ensemble des participants.

Au regard des nombreux séminaires passablement infructueux du fait d'une organisation approximative des contenus et des discussions, il faut signaler ici la qualité de la méthode d'animation utilisée par les organisateurs (Fondation allemande pour le Développement International). Cette méthode, appelée "Metaplan" (Encadré 1), utilisée tant dans les groupes de travail que dans les sessions plénières visant à la production d'une synthèse (Déclaration d'Accra, et follow-up session), s'est avérée étonnamment efficace pour mobiliser l'ensemble des participants, intégrer aux échanges même les plus discrets d'entre eux, produire des idées, et les organiser rapidement en synthèse. Le CIRAD gagnerait sans doute à s'inspirer de ce type de méthode pour optimiser les temps passés en réunion.

Un autre temps fort du séminaire dont le principe est à retenir et à valoriser, a été "l'infomarket" : un temps et un espace prévu en début de séminaire pour une présentation libre des travaux de chaque institution sous forme de posters, affiches, bibliographie, vidéo, internet ...Maintenu pendant toute la durée du séminaire, le dispositif physique de cet "infomarket" a fortement stimulé les échanges entre participants.

Encadré 1 : La méthode METAPLAN

Elle a pour objectif de faciliter l'animation d'une réflexion de groupe et la production d'une synthèse de cette réflexion. Elle repose sur le principe d'un "brain storming" initial, dans lequel chaque idée est formalisée sur une fiche cartonnée, punaisée sur un support (tableau de carton rigide). Dans un second temps, les cartes sont détachées, repositionnées sur différents tableaux en fonction de la cohérence des idées qu'elles traduisent. En fin de séance, on obtient ainsi une série de tableaux qui matérialisent la progression de la réflexion et les différents éléments de la synthèse. Ces tableaux sont alors photographiés et les clichés distribués aux participants comme support pour la synthèse écrite. Les mêmes tableaux peuvent être utilisés facilement pour la présentation en séance plénière des résultats des travaux de groupe et exposés dans les différents "lieux de vie du séminaire" (ce qui peut prendre une dimension obsessionnelle quand les tableaux vous suivent jusque dans la salle du petit déjeuner, efficacité allemande oblige ...).

Un animateur est nécessaire pour conduire la réflexion et sa transcription physique.

5. Les principaux résultats du séminaire :

La "Déclaration d'Accra" (Annexe 3), produite en séance plénière, illustre les principales orientations du séminaire. Il serait intéressant d'en faire une analyse critique, au regard de l'évolution du discours dans la microfinance, et du positionnement spécifique des institutions participant à ce séminaire.

Retenons en ici les orientations majeures, organisées autour de trois axes de réflexion :

- Analyse des principaux acquis de dix ans de développement du microfinancement
- Quels sont les manques et les besoins non couverts ?
- Quelles recommandations pour aller plus loin ?

Le microfinancement est aujourd'hui largement reconnu comme un outil essentiel pour le développement des pays du Sud, participant à l'amélioration de la sécurité alimentaire, à la création d'emploi, et plus globalement au développement rural. De nombreuses organisations de microfinance ont dépassé le stade expérimental et semblent démontrer que leur développement est possible sur une base durable. Les enjeux portent maintenant sur

- l'institutionnalisation : la transformation des projets en institutions pérennes et autonomes
- le changement d'échelle : comment répondre aux besoins ruraux à l'échelle des régions et des pays à partir des IMF qui aujourd'hui touchent dans le meilleur des cas 5 à 10 % des populations

?

- la formation du capital humain et social nécessaire à ces transformations : quelles sont les compétences nécessaires ? Comment organiser cette formation à des métiers et des fonctions complètement nouveaux ? Comment financer cette formation ?

Les expériences en matière de microfinance sont riches et diverses (organisations mutualistes, systèmes à caution solidaire, caisses villageoises autogérées, démarches mixtes ...). **Cette diversité démontre qu'il n'y a pas de modèle de référence et de réussite universel.** Les formes d'organisation et d'institutionnalisation sont à adapter aux contextes économiques et sociaux locaux et régionaux. Les cadres juridiques nationaux qui sont en émergence dans de nombreux pays doivent tenir compte de cette diversité.

Les organisations autogérées par leurs membres semblent présenter des avantages comparatifs en terme d'adaptation aux besoins locaux, et de coût de transaction. Mais elles présentent aussi des risques (difficulté de contrôle, accentuation de la différenciation sociale à travers l'accès différencié au financement...). Il ressort ici de la discussion un besoin important d'analyse comparative des différents types d'institutions de microfinancement (impact sur le milieu, coût, rentabilité, efficacité...).

L'enthousiasme généré par la microfinance ne doit pas masquer le fait que l'impact des institutions de microfinance reste largement à analyser. C'est l'une des principales questions aujourd'hui posée à la recherche.

Les travaux récents en la matière souffrent de lacunes méthodologiques importantes, liées

- aux multiples dimensions de l'impact des IMF sur les milieux (impact économiques, sociologiques, organisationnels, politiques) et donc à la nécessité des approches pluridisciplinaires
- à la fongibilité du crédit (et donc à la complexité de l'analyse des budgets de ménages),
- à la difficulté de comparer les situations avec IMF et sans IMF,
- aux manques d'outils d'analyse méso-économique (impact sur les économies locales, régionales...).

Globalement, les méthodes d'analyse d'impact sont encore trop peu fiables, trop coûteuses et mal adaptées à une utilisation opérationnelle par les IMF et leurs bailleurs de fonds. Il y a là des enjeux importants pour la recherche.

Les principaux résultats obtenus par les études actuelles montrent que les taux de pénétration des IMF sont au stade actuel encore faibles : en moyenne, 2 à 10% seulement des populations rurales ont accès aux services de microfinance, ce chiffre illustrant l'acuité de la question du changement d'échelle. Bien que souvent ciblées sur les "populations pauvres"², les IMF touchent avant tout des catégories de populations "moyennes", les "pauvres" restant assez largement exclus de l'accès au financement, même - et parfois surtout- dans le cadre des IMF gérées par les communautés

² La définition du qualificatif "pauvre" a évidemment fait l'objet de nombreuses discussions au cours du séminaire. Un consensus s'est établi autour d'une définition de pauvreté relative (catégorie de population ayant, dans une société donnée, la plus faible dotation de capital économique, mais aussi social, et la vulnérabilité la plus forte face aux risques), combinée à des approches plus standardisées (seuils de revenus, de capital, de consommation) permettant la comparaison entre différents contextes.

locales elles-mêmes. Hormis dans les projets spécifiquement ciblés sur elles, les femmes restent elles-aussi encore largement exclues de l'accès aux IMF.

Les études montrent que, au moins dans un premier temps, l'accès au services de microfinance permet une amélioration des revenus, de la production, et de la sécurité alimentaire ; principalement utilisés comme outil de trésorerie, les services de microfinance (crédit et épargne) renforcent la capacité des ménages ruraux à faire face aux risques et aux chocs économiques. Ils permettent, dans certains cas, l'émergence de nouveaux acteurs économiques (les femmes par exemple, dans les IMF les intégrant spécifiquement). Les études montrent également que le degré d'impact du microfinancement est largement dépendant de facteurs plus englobants : l'accès au marché, l'accès aux intrants et aux services, la capacité d'organisation et de négociation des populations ...

De nombreuses questions restent cependant ouvertes : rôle du microfinancement dans les dynamiques d'accumulation des ménages, capacité des économies locales à valoriser l'injection de crédit, impact de l'accès au financement sur la diversification des économies locales, sur la différenciation sociale au niveau des communautés

Les analyses d'impact mettent aussi en évidence l'importance des besoins ruraux non couverts par l'offre actuelle de la microfinance. Quatre principaux secteurs ont ainsi été identifiés comme prioritaires pour l'effort d'innovation :

- le crédit à la consommation :
- les produits d'épargne adaptés
- la fonction d'assurance
- le crédit à l'agriculture

Le crédit à l'agriculture reste un défi majeur en matière d'innovation. Les institutions "classiques" de financement de l'agriculture (banques agricoles, banques de développement, projets...) achèvent de périlcliter dans le contexte général de désengagement de l'Etat, qui remet également en cause, les organisations de financement des productions intégrées (comme le coton par exemple). Les institutions de microfinance ne répondent pas ou mal, pour l'instant, aux besoins du financement agricole. Celui-ci présentent des caractéristiques spécifiques, tant en termes de diversité (trésorerie, investissement de moyen et long terme), que de risques (climatique, économique, faible rentabilité, difficulté de mobiliser des garanties adaptées ...). Quelques innovations existent en la matière, mais elles sont mal connues et demandent à être évaluées. Par ailleurs, la question du financement agricole conduit à s'interroger sur le rôle de l'action publique en la matière (gouvernements, bailleurs, ONG, communautés, banques...).

L'action publique et l'Etat, plus particulièrement, ont un rôle central en matière d'appui et de régulation des institutions de microfinance. La pérennisation des institutions de microfinance repose sur

- leur professionnalisation, à travers la création de compétences adaptées à ces métiers et fonctions nouveaux
- l'obtention d'un équilibre financier durable, les rendant autonomes par rapport aux financements extérieurs
- leur insertion dans un cadre légal stable et clair permettant leur développement et leur contrôle

L'action publique doit appuyer ces démarches, notamment par une utilisation raisonnée des subventions. Celles-ci ne doivent pas être appliquées au crédit, mais semblent souvent nécessaires pour soutenir le développement des institutions de microfinance dans leur phase initiale (formation du capital humain et social, mise en place des structures initiales ...).

La question de l'affectation optimale des ressources publiques est au coeur du débat sur la microfinance : par exemple, est-il plus "rentable", en terme de bien-être collectif, d'investir dans la création d'institutions de microfinance, plutôt que d'infrastructures, de programmes de santé ou d'alphabétisation ? Le manque de méthodes et d'outils d'évaluation et de modélisation limite pour l'instant la réponse à cette question.

Malgré l'enthousiasme actuel en sa faveur, la microfinance ne doit pas être considérée comme une solution miracle pour le développement. Elle ne peut notamment, être efficace que si elle peut s'investir dans des activités productives rurales rentables. Dans cette perspective, il est vital que des politiques et des investissements adaptés en matière d'agriculture, de services ruraux, de santé, d'infrastructure viennent conforter les dynamiques rurales.

6. Contributions du CIRAD

Le CIRAD a présenté trois contributions au séminaire :

- une communication portant sur l'analyse des besoins et stratégies de financement des ménages ruraux dans les économies sahéliennes à forte incertitude : "Characteristics of Household Demand for financial services in Highly Uncertain Economies : A review of Evidence from Burkina Faso" (G.Nguyen, B.Wampfler, M.Benoit-Cattin, K.Savadogo) (Annexe 4)
- deux posters présentant en anglais et en français, l'ATP CIRAD sur le financement de l'agriculture (Annexe 5)
- le site internet CIRAD- GRET "Pole Microfinancement" (Annexe 6)

7. Recommandations dégagées par le séminaire

C'est l'IFAD qui s'est chargée d'animer cette réflexion. Dans un premier temps, par rapport à chacun de ces thèmes, des recommandations ont été formulées pour chaque catégorie d'acteurs (opérateurs, bailleurs, décideurs, recherche). Le tableau suivant résume les demandes et recommandations faites à la recherche :

THÈMES	DEMANDE A LA RECHERCHE
<p>1 . Consensus autour de la microfinance = levier du développement</p> <p>enjeux :</p> <ul style="list-style-type: none"> - conditions de mise en place et d'institutionnalisation - changement d'échelle - formation du capital humain 	<ul style="list-style-type: none"> - Analyser à partir d'approches comparatives, les conditions d'adaptation des IMF aux contraintes des différents milieux - Analyser les contraintes et les limites du développement et de l'efficacité de la microfinance
<p>2 . Potentialités et avantages comparatifs des différents types d'IMF dans différents contextes</p>	<ul style="list-style-type: none"> - analyse comparative des différents types d'IMF
<p>3. IMPACT</p> <p>31. Problème de méthode</p> <p>32 . Impact</p> <ul style="list-style-type: none"> - Taux de pénétration : 2 à 10 % - populations touchées = les moyens / +-exclues = les pauvres, les femmes - impact sur revenu et production, sur sécurité alimentaire, sur lissage de la consommation et capacité à faire face aux risque et choc économiques 	<ul style="list-style-type: none"> - élaborer des méthodes <ul style="list-style-type: none"> * fiables * peu coûteuses * utilisables par les IMF comme outil de pilotage et de décision - analyser les conditions du changement d'échelle - analyse de l'impact des IMF sur ces différentes catégories de population - analyser les conditions d'intégration dans les IMF des catégories sociales exclues - analyse de l'impact des IMF sur les ménages - analyse des facteurs limitants de l'impact des IMF : accès intrants et services, accès au marché, assurances
<p>4 . Besoins d'Innovations / demande non couverte</p> <ul style="list-style-type: none"> * crédit à la consommation * épargne * assurance * crédit à l'agriculture 	<ul style="list-style-type: none"> - analyse des besoins - suivi évaluation

6. Institutionnalisation des IMF et rôle de l'Etat Rôle de l'Etat / Subventions durabilité /welfare	- Analyse du rôle de l'évolution du rôle de l'Etat dans un contexte de libéralisation - Elaboration d'outils d'évaluation des politiques / modélisation
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Dans un second temps, des recommandations générales ont été faites structurées autour de six axes principaux :

- renforcer les capacités institutionnelles et la professionnalisation des IMF
- appuyer la création de réseaux d'institutions de microfinance à l'échelle nationale et régionale
- encourager la mise en place de cadres juridiques adaptés à la pluralité des IMF
- promouvoir les innovations en termes de produits permettant de répondre aux besoins non couverts des populations rurales ; dans ce sens, promouvoir l'innovation en matière de crédit à l'agriculture
- faire du suivi/ évaluation et de l'analyse d'impact un outil opérationnel de pilotage pour les IMF et d'aide à la décision pour les bailleurs de fonds et les décideurs
- améliorer la diffusion de l'information et les échanges au sein du monde de la microfinance, en s'appuyant sur les technologies modernes, les échanges décentralisés depuis les niveaux nationaux jusqu'aux communautés locales ; la nécessité de renforcer les échanges en entre les monde anglo-saxons et francophones s'est avérée particulièrement évidente au cours du séminaire.

II . Résultats des contacts établis pendant le séminaire

L'un des intérêts majeurs de ce séminaire était de permettre la rencontre de chercheurs, d'opérateurs de microfinance et de décideurs (bailleurs de fonds, banques, responsables politiques).

Trois contacts se sont révélés pour nous particulièrement fructueux et ont débouché sur des propositions concrètes de partenariat avec le CIRAD.

1. IFPRI /M.Zeller /C. Lapenu

Ces discussions s'inscrivaient dans un cadre préalablement élaboré lors du recrutement de C.Lapenu par l'IFPRI. Il s'agissait donc ici de définir avec M.Zeller qui dirige le programme dont C.Lapenu fait partie, des formes de collaboration concrète pour l'année à venir, dans le cadre de l'ATP CIRAD Financement de l'agriculture.

En 1998, une première collaboration s'est établie entre nos deux institutions à travers les études réalisées à Madagascar (ATP pour le CIRAD, projet de recherche sur l'évolution de l'agriculture

malgache face à l'ajustement structurel pour l'IFPRI). C. Lapenu a contribué au montage de l'étude CIRAD dont les premiers résultats ont été restitués par la stagiaire CIRAD pendant le séminaire IFPRI qui s'est tenu à Madagascar en septembre dernier.

Deux étapes de collaboration ont été retenues après discussion avec M. Zeller :

- poursuite et approfondissement de notre collaboration à Madagascar (échange de données dans le cadre de l'étude actuelle, une mission en commun sur les institutions de microfinance finançant l'agriculture au premier semestre 1999, une publication en commun sur ce thème au second semestre 1999).

- collaboration sur le thème "Comparaison de l'impact des différents types d'institutions de microfinance". L'IFPRI a identifié ce thème de recherche comme prioritaire pour l'année 99 ; le CIRAD a défini un projet sur ce thème dans le cadre du groupe CERISE. Cette collaboration débouchera sur une publication en commun fin 1999.

Une troisième collaboration reste à confirmer en fonction de l'emploi du temps de C. Lapenu et de la situation locale sur le terrain de recherche :

- contribution de C. Lapenu à l'ATP Financement de l'agriculture sur le terrain Indonésie. Cette contribution implique la réalisation d'une mission en Indonésie pour actualiser les données de thèse de C. Lapenu.

2. GTZ / FAO

La GTZ a engagé en partenariat avec la FAO un programme d'étude sur le financement de l'agriculture. Les approches développées jusqu'ici sont essentiellement macro-économiques et politiques. Un nouveau volet doit être engagé sur les aspects micro et méso économiques de la question.

Après la présentation de l'ATP CIRAD Financement de l'agriculture, la GTZ a souhaité établir une collaboration avec le CIRAD sur ce thème.

Trois étapes de collaboration ont été définies :

- échanges sur le protocole de recherche et les études de cas
- une publication en commun proposant une synthèse de ces études de cas
- un séminaire en commun sur le thème (1999- début 2000)

L'accord doit être finalisé lors d'une rencontre à Eschborn ou à Montpellier, avant la fin de l'année 98. Il a été souhaité que l'ATP et les activités de microfinancement rural du CIRAD soient présentées de manière plus approfondie à la FAO, avant qu'intervienne la finalisation de l'accord.

3. IFAD

Trois points de convergence d'intérêt ont été identifiés à travers les discussions avec l'IFAD :

- l'internet comme outil de diffusion des acquis de la recherche et du développement, des

méthodes et des outils nécessaires à l'acquisition des compétences par les institutions de microfinance

- le financement de l'agriculture, qui a été pointé par le séminaire comme un défi majeur en matière d'innovation pour le développement
- le suivi-évaluation et l'analyse d'impact et leur intégration dans le fonctionnement quotidien des institutions de microfinance

L'IFAD a manifesté un intérêt particulièrement net pour le site internet du CIRAD/GRET sur le microfinancement. C'est autour de ce thème que la discussion devrait être approfondie rapidement.

4. Contacts divers offrant des perspectives d'avenir

- différents opérateurs de microfinance d'Afrique de l'Ouest qui commencent à se structurer en réseau et sont intéressés à la fois par le site Internet et des appuis en matière de suivi-évaluation
- le professeur M. Rakotondramanitra, de l'Université d'Antananarivo : une collaboration est envisageable avec son Université pour l'étude ATP Madagascar 1999
- le Dr Rao, Directeur général du Bankers's Institut of Rural Development, pour des ouvertures sur le financement de l'agriculture en Inde.

III. Perspectives et enseignements à tirer du séminaire pour le CIRAD

Quels sont les acquis de ce séminaire pour les activités Développement des Systèmes Financiers Ruraux du CIRAD ?

Le séminaire a permis d'identifier les thématiques de recherche nécessaires à la phase d'expansion actuelle des IMF : les voies de l'institutionnalisation des IMF, le suivi évaluation et l'analyse d'impact, la diversification des produits adaptée à la demande des ruraux, le rôle de l'Etat, la diffusion de l'information, et des acquis de la recherche. Le financement de l'agriculture fait tout particulièrement l'objet d'une demande de recherche.

Le CIRAD est déjà engagé sur plusieurs des thèmes prioritaires :

- la recherche sur l'institutionnalisation des IMF et le rôle de l'Etat a été engagée à travers la thèse de C.Lapenu. Depuis le départ de celle-ci, elle n'a pas pu être reprise, faute de temps et de disponibilité. La thèse que va engager J.Marzin pourrait éventuellement aborder ce thème.
- le suivi évaluation et l'analyse d'impact des IMF constituent l'un des axes clé de recherche du projet DSFR et devrait s'appuyer en 1999 sur une étude comparée de l'impact des SFD conduite

dans le cadre du groupe CERISE, renforcée par une collaboration avec l'IFPRI sur ce thème.

- le financement de l'agriculture fait l'objet d'une ATP CIRAD. Au regard de l'importance de cette thématique pour le développement, cet axe de recherche doit être renforcé en s'appuyant sur des partenariats avec des institutions déjà engagées sur ces thèmes (IFPRI, GTZ, FAO) et des activités d'expertise (Etude UMUOA 1999, collaborations internes CIRAD....)

- le site Internet Pôle Microfinancement est un outil pour lequel il y a une demande forte : le bilan hebdomadaire des connections sur le site montre son impact croissant et le forum, ouvert depuis octobre 98, prend une dimension intéressante. Un nouveau module, "boîte à outil", prévu pour 1999, devrait permettre la diffusion large d'acquis de la recherche-développement. Une recherche de financement est en cours sur ce thème auprès de la Coopération française, de la FPH et de l'IFAD.

La construction d'une équipe de recherche est un effort de long terme. Il est stimulant de constater que les investissements consentis par le CIRAD sur la thématique du financement rural portent leur fruits et que les travaux conduits sont en phase, voire innovants, par rapport aux priorités dégagées par la communauté scientifique internationale travaillant sur ce thème.

ANNEXES

ANNEXE 1 : Programme du séminaire

ANNEXE 2 : Liste finale des participants

ANNEXE 3: Déclaration d'Accra

ANNEXE 4 : Communication présentée par le CIRAD

ANNEXE 5 : Posters ATP Financement de l'agriculture (versions française et anglaise)

ANNEXE 6 : Plaquette de présentation du site internet Pôle microfinancement



**INTERNATIONAL WORKSHOP
INNOVATIONS IN MICRO-FINANCE FOR THE RURAL POOR
- EXCHANGE OF KNOWLEDGE AND IMPLICATIONS FOR POLICY -**

Accra/Ghana
November 09 – 13, 1998

FINAL PROGRAMME

Sunday, November 8, 1998

19:30	Registration and informal get together
20:00	Dinner

Monday, November 9, 1998

08:30 - 09:00	Registration
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OPENING CEREMONY

09:00 – 09:05	Welcome by the Chairman <i>Oumar Makalou, Director CERDES</i>
09:05 - 09:15	Welcome by the Bank of Ghana <i>Kwabena Duffour, Governor</i>
09:15 - 09:25	Remarks by H. E. The Ambassador of the Federal Republic of Germany <i>Christian Nakonz</i>
09:25 - 09:35	Remarks by IFPRI <i>Lawrence Haddad, Director of the Food, Consumption and Nutrition Division</i>
09:35 - 09:45	Remarks by IFAD <i>Klemens van de Sand, Assistant President</i>
09:45 - 10:15	Opening by the Government of Ghana <i>Kwame Peprah, Honorable Minister for Finance</i>
10:15 - 10:30	Structure and objectives of the workshop <i>Oumar Makalou, Chairman</i>
10:30 - 11:15	<i>Tea/Coffee Break/Group Photo</i>

PLENARY SESSION

ASSESSING THE PROBLEM: WHAT ARE THE ISSUES

11:15 - 12:00

Demand for and Access to Financial Services by the Rural Poor: A Multi-country Synthesis
Manfred Zeller (IFPRI) and Manohar Sharma (IFPRI)

12:00 - 13:15

Lunch

13:15 - 14:00

Macro-policy and Regulatory Framework for Enhancing Access to Financial Markets to the Rural Poor: Failures, Successes, and Lessons Learnt
Oumar Makalou (CERDES, Mali)

14:00 - 14:45

Innovations in Rural Microfinance: The Challenge of Sustainability and Outreach
*Sylvain Larivière and
Frederic Martin (University of Laval, Quebec, Canada)*

14:45 - 15:30

The Public Sector and the Institutional Innovations in Rural Micro-finance
Cecile Lapenu (IFPRI) and Michel Benoit-Cattin (CIRAD)

15:30 - 16:00

Tea/Coffee Break

16:00 - 18:00

INFORMATION MARKET

The information market offers workshop participants and their organizations to present on their work, experiences and plans related to rural micro-finance.

Location: Birim meeting room

19:00

Dinner Reception

Tuesday, November 10, 1998

08:30 - 08:40

Introduction to the day

PLENARY SESSION

ACCESS, DEMAND, IMPACT, AND FINANCIAL SYSTEMS DEVELOPMENT

08:40 - 09:15

Characteristics of Household Demand for Financial Services in Highly Uncertain Economies: A Review of Evidence from Burkina Faso
Geneviève Nguyen and Betty Wampfler (CIRAD) et al.

09:15 - 09:50	Successful Mobilization of Small and Micro Savings: Experiences from Seven Deposit-Taking Institutions <i>Silvia Wisniewski and Alfred Hannig (GTZ)</i>
09:50 - 10:25	Impact of Finance on Food Security and Poverty Alleviation: A Review and Synthesis of Empirical Evidence <i>Manohar Sharma (IFPRI) and Gertrud Schrieder (University of Hohenheim)</i>
10:25 - 11:00	<i>Tea/Coffee Break</i>
11:00 - 11:45	Credit Systems for the Rural Poor in the Economic Transition of China: Institutions, Outreach and Policy Options <i>Zhu Ling (Chinese Academy of Social Sciences) et al.</i>
11:45 - 12:00	Terms of reference for working groups and formation of working groups
12:00 - 13:15	<i>Lunch</i>
13:15 - 15:30	WORKING GROUPS A-D A. Savings B. Enhancing micro-finance impact on food security and consumption smoothing C. Agricultural finance for smallholders D. Role of subsidies in micro-finance
15:30 - 16:00	<i>Tea/Coffee Break</i>
16:00 - 18:00	Working groups continued
19:10	Departure by bus for reception
19:30	<i>Dinner Reception hosted by H. E. The Ambassador of the Federal Republic of Germany</i>
21:30	Return to hotel

Wednesday, November 11, 1998

08:30 - 08:40	Introduction to the day
08:40 - 10:15	Plenary presentation and discussion of working group results
10:15 - 10:45	<i>Tea/Coffee Break</i>

PARALLEL PLENARY SESSIONS

CASE STUDIES OF INSTITUTIONS

SESSION I

Chairperson: Oumar Makalou
Location: Birim meeting rooms

SESSION II

Chairperson: Felicia Quartey-Acquaye
Location: Ankobra plenary room

10:45 - 11:10	Experiences of an Agricultural Bank: The Case of MRFC in Malawi <i>Saadat Siddiqi (Malawi Rural Finance Company Ltd.)</i>	Two Emerging Micro-Finance Models - Experiences with FSAs in Benin and VISACAs in The Gambia <i>Mohamed Tounessi (IFAD) et al.</i>
11:10 - 11:35	Reaching the Poor on a Sustainable and Efficient Basis: The Case of CCEI Bank, ADAF and the MC ² Network in Cameroon <i>Justin Bomda (ADAF, Cameroon) et al.</i>	Experience by an NGO: The Case of ASA in Bangladesh <i>Fayzer Rahman (Association for Social Advancement, Bangladesh)</i>
11:35 - 12:00	Rural Financial Institutions in Ghana <i>Stephen Ameyaw (Bank of Ghana) and P. Saint-Ange (IFAD)</i>	Case Study of an Evolving Credit System in IFAD/WFP Supported Projects in China <i>Erik Martens (IFAD) and Dageng Liu (WFP, China)</i>
12:00 - 12:30	Strategy for Rural and Micro Finance in Ghana <i>Kwame Oduro (MFI Network, Ghana)</i>	The Successful Formalisation of a Non- Bank Financial Institution in Latin America – Case Study Fondo Financiero Privado FIE, S.A. <i>Pilar Ramirez (F.I.E., S.A. Bolivia)</i>
12:30 - 13:30	<i>Lunch</i>	
13:30 - 13:45	Terms of reference for working groups	
13:45 - 15:30	WORKING GROUPS A-D	

- A. Innovations in collateral substitutes
- B. Ownership and control in member-based financial institutions
- C. Different models of regulation of micro-finance institutions
- D. Trade-off between welfare and institutional sustainability

15:30 - 16:00 *Tea/Coffee Break*

16:00 - 18:00	Working groups continued
19:00	<i>Dinner</i>
20:00	<p>ROUNDTABLE ON MICRO FINANCE AND PLENARY DISCUSSION <i>Chairman: Manfred Zeller (IFPRI)</i></p> <ul style="list-style-type: none"> • Agricultural Finance Revisited • <i>Alfred Hannig (GTZ) and Ake Oloffson (FAO)</i> • Outreach and Sustainability <i>Jacob Yaron (World Bank)</i> • IFAD's Experience <i>Klemens van de Sand (IFAD)</i> • Macro-Economic and Regulatory Policy <i>Emanuel Kumah (Bank of Ghana)</i> • Finance, Food Security and Poverty Alleviation <i>Joachim von Braun (University of Bonn)</i> • Bank Regulation and Micro Finance <i>Oumar Makalou (former President of the Central Bank of Mali)</i>

Thursday, November 12, 1998

08:30 - 08:40	Introduction to the day
08:40 - 10:15	Plenary presentation and discussion of working group results
10:15 - 10:45	<i>Tea/Coffee Break</i>
WORKING GROUP SESSION	POLICY RECOMMENDATIONS
10:45 - 11:00	Terms of reference for working groups
11:00 - 12:30	<p>WORKING GROUPS A-D Policy recommendations for the workshop declaration</p>
12:30 - 13:30	<i>Lunch</i>
13:30 - 15:30	Working groups continued
15:30 - 16:00	<i>Tea/Coffee Break</i>
16:00 - 18:00	Plenary presentation and discussion of working group results
19:10	Meet at hotel lobby for departure to Ghanaian Night
19:30	<i>Ghanaian Night with Dinner at National Theatre</i>
	Individual return

Friday, November 13, 1998

08:30 - 08:40

Introduction to the day

PLENARY SESSION

FINALIZING THE WORKSHOP DECLARATION

08:40 - 09:45

Plenary discussion on policy recommendations
(presentation, discussion, change and endorsement)

09:45 - 10:15

Tea/Coffee Break

10:15 - 12:15

FORUM ON FOLLOW-UP ON ACTION RESEARCH AND REGIONAL WORKSHOPS IN AFRICA

Chairman: Klemens van de Sand (IFAD)

12:15 - 13:30

Lunch

SPECIAL SESSION WITH INVITEES and CLOSING

13:30 - 13:50

Synthesis of the workshop
*Ernest Aryeetey (Institute for Statistical and Socio-
Economic Research, Ghana)*

13:50 - 14:00

Presentation of Declaration

14:00 - 14:30

Discussion on results

14:30 - 14:45

Closing remarks
DSE, IFPRI, IFAD, BANK OF GHANA

14:45 - 15:00

Official closing
Representative of the Government of Ghana

15:00 - 16:00

Cocktail Reception

16:00

Departure



INTERNATIONAL WORKSHOP
INNOVATIONS IN MICRO-FINANCE FOR THE RURAL POOR
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Accra/Ghana
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Annexe 3 : Déclaration d'ACCRA

(Traduite en français pour diffusion sur le site web Pôle Microfinancement)

DÉCLARATION DU SÉMINAIRE INTERNATIONAL D'ACCRA

“ Les innovations en matière de microfinance pour les ruraux pauvres - Echange de connaissance et implications politiques” -

Dans le but d'améliorer les conditions de vie des ruraux pauvres, un séminaire international portant sur “ Les innovations en matière de microfinance pour les ruraux pauvres - Echange de connaissance et implications politiques” - a été tenu à Accra, au Ghana, du 9 au 13 novembre 1998. En réunissant des responsables politiques, des opérateurs de microfinance et des chercheurs issus de 20 pays, ce séminaire a contribué à l'échange d'une large expérience internationale en matière de microfinance.

Nous, les participants à ce séminaire, considérons que les institutions de microfinance rurale durables, sont un outil essentiel pour améliorer la sécurité alimentaire des ménages, créer de l'emploi et soutenir le développement rural.

Nous lançons un appel aux gouvernements, aux institutions financières et aux organismes de développement, pour qu'ils soutiennent la formation du capital humain et social, et qu'ils contribuent aux financements initiaux nécessaires pour consolider les institutions de microfinance rurale. Nous reconnaissons que la construction de telles institutions va requérir un effort important et de long terme, qui devra également porter sur la création de réseaux d'institutions de microfinance. Cet effort doit être concentré sur l'acquisition de capacités organisationnelles des institutions de microfinance et sur la création d'un cadre de régulation légale favorable, fondé sur un corps de règles claires et structurantes. L'élaboration de ce cadre légal devrait s'appuyer sur un processus consultatif, prenant en compte les différentes catégories d'institutions de microfinance, leurs potentialités, et leur expérience. Les secteurs privés et publics doivent s'allier pour atteindre cet objectif, aucun d'entre eux ne pouvant accomplir seul, cette tâche.

Pour toucher un grand nombre de ruraux pauvres, les institutions de microfinance doivent être créatives et développer des produits financiers innovants. Ces produits doivent répondre à la demande diversifiée des pauvres en matière d'épargne, de crédit, et d'assurance, favorisant la création de revenu, la stabilisation de la consommation, l'allègement du risque et l'accumulation du capital. Dans cette perspective, le crédit à l'agriculture, reste un défi majeur en matière d'innovation. L'acquisition et la diffusion de la connaissance vont être des facteurs -clé de l'innovation et de son adaptation au milieu rural. L'ensemble de ce processus va demander de l'inspiration, le courage de prendre des risques, et la volonté d'expérimenter et d'évaluer.

La microfinance rurale ne sera efficace que si elle peut s'investir dans des activités rurales rentables. Dans cette perspective, il est vital que des politiques et des investissements adaptés en matière d'agriculture, de santé, d'éducation et d'infrastructures viennent conforter les activités rurales.

Accra, le 13 novembre 1998.

**"Innovations in Microfinance for the Rural Poor :
Exchange of Knowledge and Implications for Policy"**

Workshop organized by
German Foundation for International Development (DES),
International Food Policy Research Institute (IFPRI),
International Fund for Agricultural Development (IFAD),
Bank of Ghana

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Accra, Ghana

**Characteristics of Household Demand for Financial Services
in Highly Uncertain Economies :
A Review of Evidence from Burkina Faso**

by

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Introduction

In 1991, the Conference “Finance and Rural Development in West Africa” held in Ouagadougou unveiled an emerging consensus on the promotion of rural finance in the Sahel. Failures of financial institutions launched in the 70's and 80's to support the agricultural sector were discussed and analyzed. It was generally recognized that targeted and subsidized credit was among the principal causes of this crisis, because they were not adapted to the demand of rural households for financial services. The demand-leading approach was, therefore, recommended.

Numerous studies on informal finance supported the demand-leading approach by raising the issues of agricultural risks and asymmetric information, and by analyzing the pervasiveness of indigenous saving and lending institutions, such as the tontines and informal lenders (Adams, 1994; Reardon and Mercado-Peters, 1991; Christensen, 1991) . The same studies underscored the importance of household demand for credit and saving services, but there was not a clear agreement on the extent to which informal finance satisfied this demand. In other words, the question was whether market niches for microfinance innovations existed or not. Adams (1991) stated that household demand for credit was important, but that informal lending and self-financing capacity were sufficient to cover this demand. Reardon and Mercado-Peters (1991) hypothesized, on the contrary, that household demand for investment and consumption credit is far from being satisfied as many poor households do not have access to informal finance. According to Christensen (1991), informal finance showed substantial limits in the financial intermediation process.

The main objective of this paper is to review empirical evidence showing that, when an analysis of household true demand for financial services is conducted, important market niches for financial innovations can be identified that are not fulfilled by existing financial institutions. In a context of high uncertainty and poverty, household true demand for financial services presents, indeed, a greater degree of diversity and complexity than the observed demand. In the same context, due to their own characteristics, informal financial institutions can only satisfy part of the true demand. Financial innovations can effectively level off many constraints faced by rural households in their access to financial services, provided appropriate regulatory and legal frameworks.

In the absence of formal contingent valuations¹, this analysis of household true demand for financial services was done based on the combined analysis of actual informal financial practices, of the role of saving and credit for household economies, and of the performances of microfinance projects launched in the late 80's (in terms of outreach, services offered, and financial viability). Between the last international conference on rural finance and the one today, numerous studies have been conducted in Sub-Saharan Africa, and particularly in Burkina Faso, which have considerably improved our understanding of household economies and of the role of microfinance services for households.

After a characterization of household socio-economic environment, this paper summarizes the major findings from studies conducted in Burkina Faso on

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Contingent valuation is a method used to estimate the consumer's true demand for a commodity, as opposed to the observed demand. It basically attempts to evaluate the consumer's willingness to pay and willingness to accept, on the basis of hypothetical markets designed by the researcher. This method has been applied to the estimation of the value of environmental goods, for which no direct market exists.

the characteristics of household demand for financial services (Box1). A discussion of how these characteristics can shape the promotion and building process of microfinance institutions will then be undertaken.

I. Characteristics of Uncertainty in Burkina Faso

The objective here is to review the socio-economic context of Burkina Faso in order to underscore the effects of environmental factors on household economies and, in turn, on household demand for financial services. It will be shown that, in Burkina Faso, uncertainty and poverty go hand in hand, and as a consequence, household demand for financial services exhibit particular characteristics.

Current Poor Economic Performances

With a per capita GNP of less than US\$ 300 in 1995, Burkina Faso ranks among the poorest countries in the world. The economy is based principally on the agricultural sector, which represents 40 percent of GDP and offers employment to 85 percent of the total active population. Located in the semi-arid tropics South-West of the Sahara, most cropping systems are rainfed and are, therefore, very vulnerable to drought.

Like many other Sub-Saharan African countries, the population of Burkina Faso of 8.8 million people in 1995 is growing rapidly at a rate of 3 percent per year. In 1994, 44 percent of the population live under the poverty

level of US \$ 74 per adult per year, and 97 percent of the people living with less than US \$ 50 per adult per year can be found in rural areas (Raffinot, 1997).

Burkina Faso's economy suffers from heavy handicaps among which, a difficult transition from public to private run economy, a lack of competitiveness of its formal private sector, and a heavy dependence on external funds. Since the Independence in 1961, no significant structural changes have been observed, and most of the GDP growth has been offset by the population growth.

Limited resources and poor economic policies have always constrained the government's ability to secure adequate food and to meet the basic needs to its growing population. Food production is increasing slowly at a rate of 2.5 percent per year and the country's food purchasing power remains very limited. Life expectancy at birth is only of 48 years, an infant mortality rate of 132 per thousand, and an adult literacy rate of 31 percent (World Bank, 1995). Given these poor social performances, it is not surprising to find Burkina Faso at the 172 place out of 175 for its index of human development (PNUD, 1997).

The informal sector has always played an important role in maintaining a minimum level of welfare among all the populations. In 1985, in urban areas, the informal sector provided 74 percent of the total urban employment (Charmes, 1996), while in rural areas, kinship networks of family and friends still represent the most cost-efficient social safety net (Nguyen, 1998; Raffinot, 1997). Despite its dynamism, one can question the capacity of the informal sector, alone, to absorb the population growth and other major socio-economic changes.

Factors of Uncertainty and Poverty

The Structural Disequilibrium Men/Natural Resources

In Burkina Faso, institutionalized interaction patterns within one or among different ethnic groups were traditionally based on production specialization and barter transactions and were set up in such a way that they were perfectly adapted to the prevailing cultural ecology. The mixed agro-pastoral farming systems developed by the Fulani, cattle herders, and the Rimaaybe, cultivators, provides a good illustration of what was described to be a "rational and ecologically stable relationship under the low density of population of precolonial time" (Ford, 1982).

In equilibrium and able to absorb any agricultural shocks, these symbiotic relationships were first disrupted the arrival of Islam in the Northern regions in the mid-eighteenth century, then by the French colonial regime in 1895 (Riesman, 1974). The 1974 and 1984 droughts have accelerated the transformation of the traditional agro-pastoral economies by revealing their fragility under an environment characterized by high covariant risks and increasing resource scarcity (Sheets and Morris, 1976; Bonte, 1986).

The population is increasing at a rapid pace in all regions of Burkina Faso. For example, in Northern Burkina, population density was up from 16 in 1910 to 43.6 inhabitants per square kilometers in 1985 (Marshall, 1983; INSD, 1985). Under population pressure, climate-adaptative production specializations was progressively replaced by polarizing risk-management diversification strategies, which do not necessarily take into account the resource availability (Diop, 1990;

Ngobounan, 1992; Rubrice, 1995). In the actual context, one to two rural households out of five are chronically food deficit (Colliot and Nguyen, 1993; Ouedraogo, 1993).

Increased Monetization and Market Penetration

Exchanges were traditionally based on the barter system. By imposing tax payments, French settlers have introduced money as a medium of exchange, as well as the need for households to develop cash-earning activities.

Since that time, household demand for cash has dramatically increased. Successive droughts over the last decades have increased households' dependence on the cereal markets (Colliot, 1993). In the Province of Yatenga for example, food consumption represents up to 80 percent of total household expenditures in years of bad harvests like in 1990. In years of good harvest, the demand for cash remains high due to the shifts in household expenditures from food consumption to non food and social consumption (Colliot and Nguyen, 1993; Ouedraogo, 1993). There exists also an important seasonal demand for cash for investment and production purposes, as cash is needed to purchase inputs for both farm (cultivation and livestock breeding) and off-farm activities (handicraft, petty trade, cottage industries, etc.).

Markets have, therefore, emerged as a response to the communities' increasing dependence on the rest of the world and on monetized exchanges for the provision of food and manufactured products. Markets for agricultural and

manufactured products were first established, followed by the market of labor, and more recently, by the formal financial market.

The opening of isolated communities and villages to outside undisputably enlarges the household opportunity set. However, one can also argue that the penetration of market economies in traditional societies does create room for opportunistic and free-riding behavior within the domestic spheres. New and more individualized economic strategies can be developed outside of traditional kinship spheres. More important than the weakening and progressive disappearance of traditional kinship-based institutions are the effects this disappearance has on household welfare. In the absence of well-functioning markets and a public safety net, Zimmerman (1991) and Nguyen (1998) suggested that the disappearance of social risk-sharing institutions leads to an inverse relationship between individual risk exposure and resource endowments.

Ambiguous Effects of Macroeconomic Reforms On Household Welfare

In 1991, due to poor economic performances caused by inefficiencies of the public sector, the Burkinabe government decided to undertake major macroeconomic reforms and, the same year, adopted a comprehensive structural adjustment program. Measures suggested by the IMF to contain public spendings and deficits and to boost the private sector and trade did not, however, permit the country to retrieve the relatively good economic growth of the early 1980s. The different formal sectors of the economy, and particularly, the agricultural and

manufacturing sectors lack of competitiveness due to structural factors, such as numerous trade barriers, high energy cost, and poor technical skills.

In January 1994, along with other countries of the CFA zone, Burkina Faso devaluated the CFA Franc by 50 percent. Socio-economic consequences of the devaluation are still under evaluation, but it was reported that exports of livestock and other agricultural products have effectively benefited of the devaluation (World Bank, 1995). At the household level, however, the cost-benefit ratio was less evident. In most cases, the increase in income from production was barely sufficient to compensate for the increase in expenditures of imported inputs and consumption goods.

In general, most macroeconomic reforms adopted by Burkina Faso in the 90's aimed to lessen the role of the state in the economy and to support the growth of the formal private sector. On the other hand, these corrective measures have not sufficiently underscored the government's responsibilities in the failures of markets, such as the financial and insurance markets. Meanwhile, social programs launched by the government in the 90's along with the structural adjustment program to support health care, education, and employment, showed deceiving results. The provision of public goods is still too costly and ineffective (Raffinot, 1997).

Effects of Uncertainty and Poverty on Household Economies

The lack of long time-series data does not allow us to formally document the degradation of household welfare over time, but factors we have discussed

above undisputably suggest that uncertainty represents an important component of economic and social poverty in Burkina Faso. The latter has increased particularly in rural areas, where agricultural risks have the highest impact, markets are either absent or function but imperfectly, and the informal sector is the weakest.

In the presence of high uncertainty and absence of a public safety net, household economies are organized around the development of cost-efficient risk-management and risk-coping strategies, such as activity diversification, migration, storage, borrowing, saving, and strengthening social ties. Most often, households combine several strategies according to the economic opportunities available in their surroundings and to their own endowment in physical and human capital. In addition, one can observe the emergence in recent years of new patterns of family labor allocation with the involvement of women and young people in tasks traditionally performed by men (Diop, 1990; Kuela, 1996; Wampfler, 1998b).

We observe, nowadays, new patterns of consumption and labor allocation and the picture of household economies has, indeed, become particularly complex.

II. The Complex Picture of The Household's Demand for Financial Services : Major Findings from Studies of Household Economies

The challenge of evaluating the household true demand for financial services lies in the fact that the complexity of household economies reflects itself in a demand for financial services that is highly diversified in its nature and magnitude. This chapter will review empirical evidence showing that a significant part of the household's demand for financial services has been underestimated. Moreover, the household true demand cannot be completely revealed due to imperfect financial markets. Uncertainty in all its forms and the resulting poverty do repress the demand for financial services and the supply as well.

The Multiple Roles of Savings and Credit for Household Economies

In transition economies characterized by high uncertainty and poverty, credit and savings are used not only for investment purposes, but also for consumption smoothing, daily cash management, and the strengthening of social ties. Narrow views of financial services used to associate financial services to the promotion of income-generating activities only, because they tended to separate household enterprises from household domestic activities. For example, it is a common practice for small traders having a limited investment capital to demand in-kind credit from wholesalers (Ahamadi, 1993; Kuela, 1996; Rubrice, 1995). On the other hand, it is also true that many informal credit contracts involving networks of friends and families are for consumption purposes.

In Burkina Faso, like in most Sub-Saharan African countries, a household represents a complex entity where production and domestic spheres are closely interrelated. The fungible nature of credit is particularly pronounced as

households tend to combine short-term consumption with long-term capital accumulation strategies (Diop, 1990; Oppenheim, 1998). The contingent nature of most informal credit contracts indicates, in addition, that credit includes a strong insurance component allowing households to cope with risks and, consequently, to smooth both income and consumption.

Just as it tends to represent household as a black box, conventional wisdom tends to stress the importance of credit over saving in household economies. Reardon and Mercado-Peters (1992) and Nguyen (1998) found that informal credit represent, indeed, a small part of the household's income as compared to savings. Similarly to credit, informal saving have multiple roles and can take many forms.

Non-financial savings, such as livestock and granaries are by far the most important form of savings in transition economies. More than stores of values, non-financial savings were, in traditional societies, accumulated in order to enlarge the domestic group and strengthen social ties within a community. In daily life, non-financial savings are used by households to manage daily cash needs and seasonal operating capitals. It is important to notice that, in general, the first capital investment made by micro-enterprises comes rarely from credit, but from wealth accumulated after occasional employment opportunities such as migration to Côte-d'Ivoire (Oppenheim, 1998).

With the increase of uncertainty, household savings play, nowadays, a major role in household consumption smoothing. While savings through tontines and other rotating saving associations serve the purpose of financing expected

investment or consumption, non-financial savings are in most cases allocated to unexpected consumption. In years of bad harvest, rural households in Northern Burkina can sell their entire livestock to meet family food needs (Ngobounan, 1992; Colliot and Nguyen, 1993; Rubrice, 1995). Finally, most studies tend to ignore one of the most important form of savings that is the investment in human capital. More frequent in urban than in rural areas, this form of saving/investment does make a dramatic difference in terms of household welfare in an economy, which lacks of high skilled labor force.

A Demand Highly Diversified and Substantial

Specificities of Demand According to Age, Gender, and Social Responsibilities

Within a household, the complex allocation of labor across gender and age translates itself in a demand for financial services, which varies according to age, gender, and responsibilities. In traditional economies, the household head has the ownership of family labor and common stores of assets. He is theoretically responsible for major investments such as agricultural inputs and working tools, and housing, as well as of the supply of the household's basic needs, such as food, health care, education, and clothing. His savings and credit strategies and access to sustainable financial services are, therefore, critical for ensuring the family's daily life, cohesion, and growth (Benoit-Cattin and Faye, 1982; Binswanger, McIntire, and Udry, 1989).

Independently from the household head, each economically active member of the household has his or her own specific demand for financial

services depending on his or her consumption needs and the type of activities practiced. One can observe a progressive individualization of the household's expenditures with the penetration of markets in traditional societies, bringing with them new consumption needs beside traditional ones (Kuela, 1996). The satisfaction of these personal needs requires members of the household to engage into individual income-generating activities and to manage their own budget. Initially, young people do not have any wealth as long as they remain within the household. Young people, for example, may want to acquire a radio or nice clothes for social events. Much informal credit demanded by young people are used to finance seasonal or long term migration. Kuela (1996), Tassembedo (1996), and Oppenheim (1998) showed the importance of long term migration in building individuals' entrepreneurial capacity and substantial funds for starting highly profitable off-farm activities.

On the other hand, married women have to take care of daily purchases of ingredients for cooking. Even if they have inherited from their parents at their wedding, the majority of women are heavily capital-constrained. Men have, on average, a disaving capacity ten times that of women (Kuela, 1996). In general, women can develop income-generating activities only by using low-cost inputs or by getting some financial help from their husbands. Table 1 summarizes the different activities practiced by men and women, and for each activity, the start-up capital required. This table suggests that women's limited access to capital does not allow them to engage in capital intensive nor large scale activities. As a consequence, one often find women involved in low-income generating

handicraft or small food processing activities in the village or local market (Kuela, 1996). In addition, survey results reported in table 2 show that a woman, who has the financing capacity to invest in a substantial stock of inputs, can earn up to five times more than a woman, who is forced to buy inputs on a daily basis. The participation to tontines represents an efficient means for these women to alleviate their capital-constraint. Tontines are, however, more frequent and more dynamic in urban areas than in rural areas, where markets are less developed and covariant risks more important.

In Northern Burkina Faso, successive years of severe food deficit have also revealed the importance of the role of rural women in ensuring household food security, task traditionally under men's responsibility (Colliot and Nguyen 1993; Ouadraogo, 1993). If today, women and men tend to bear the same responsibilities within a household, their access to financial services is, however, far from being equal.

Incidence of the Production and Consumption Cycle, of the Annual Food Deficit Level, and of the Household's Self-Financing Capacity

In rural areas, the household's production and consumption activities follow a strong seasonality. During the rainy season, from June-July to September-October, the entire family labor force is exclusively allocated to agricultural activities. Activity diversification normally takes place only during the off-farm season. Peaks of income inflows will, therefore, correspond to the harvest time and the dry season. Similarly, one can observe a strong seasonality

of household consumption with peaks at the beginning of the rainy season when households have to invest in agricultural activities, during the rainy season when most granaries are empty and food need is more important, and after the harvest when households have to finance social events and constitute the start-up capital for dry season activities.

Figure 1 shows theoretical outflows and inflows of income. The understanding of the household's economic cycle is important as it allows one to identify seasonal bottlenecks for the household's budget and, thereby, the types of financial services demanded. According to the cycle shown in Figure 1, households will tend to dissave or borrow money at the start and during the rainy season, while they will tend to save at the harvest time and during the dry season if they are not capital-constrained. In other words, a household can be a net saver during certain periods of the year and a net borrower during other periods.

The household economy varies strongly from one year to another according to the level of food deficit. Household food security is strongly correlated to the household's ability to develop cash-earning activities (Tassemedo, 1996). In years of bad harvests, better-off households are those which can easily mobilize a sufficient amount of cash, or in other words, those which have a high self-financing capacity and an easy access to financial markets.

In years of bad harvest, most of the household's budget will be clearly allocated to food expenditures, reducing, therefore, dramatically the household's capacity to finance income generating activities. For example, following the 1990 severe food deficit, more than half of the economically active people in rural

areas have reported difficulties in restarting a dry season activity. Even in normal years, about 10 to 20 percent of total households in rural areas are chronically food deficit due to several reasons, among which are the large number of dependents as compared to the number of economically active members. For these households, granaries are usually emptied during the dry season or the start of the rainy season, and sometimes even before. Important food expenditures tend to coincide, therefore, with the period requiring major agricultural investments, households will be unable finance in order to increase their production.

In Northern Burkina, the number of households engaged in loan contracts in 1990, year of severe harvest deficit, is twice the number in 1991, year of relatively good harvest (Nguyen, 1998). Similarly, the average rate of livestock disaving is by far more important in 1990 than in 1991 (Ngobounan, 1992; Colliot, 1993; Rubrice, 1995). On the other hand, 67 percent of the households surveyed in the Province of Yatenga did try to accumulate wealth by buying livestock in 1991 as compared to only 43 percent in 1990. However, following successive years of bad harvest and increased resource scarcity, dissaving rates tend to exceed on average saving rates, reducing furthermore the household's self-financing capacity. Wealth accumulation tends to be very low among rural households (Oppenheim, 1998). By comparing the population of agro-pastoral households in Northern Burkina Faso in 1984 and in 1992, Ngobounan (1992) reported, after 1984, the emergence of a new population of households without any livestock. In 1992, these poorest households with very limited self-financing capacity represented 23 percent of the agro-pastoral households. Therefore, one

cannot stress enough the importance of the food security dimension as a prior to economic development.

Incidence of the Degree of Monetization and of Market Penetration

In the context of transition economies, the last, but not the least important, determinant of household demand for financial services is the social and economic environment of households. Studies conducted on household activity diversification and economies on the one hand, and market studies for specific products on the other hand, suggest that the diversity, number and volume of the household's saving and credit transactions are positively correlated with the dynamism of village institutions and local markets.

Financial intermediation has an undisputable role to play in economic growth. On the other hand, this process can take place only in an economy that is relatively dynamic in terms of number and frequency of contractual exchanges and market transactions. In rural Burkina Faso, markets are expanding rapidly, but many are not functioning correctly and other, such as the insurance market, essential for the household's welfare, have not emerged yet. Most villages in Northern Burkina Faso are connected to major markets through small local markets, which are limited in size and scope due mainly to the lack of infrastructure, paved roads in particular.

Nowadays, more than two third of the household's total market transactions take place in local markets. Colliot (1993) and Wiest (1993) demonstrated that local markets provide households with not only essential goods

such as food, but also with cash so that households can purchase other consumption goods as well as inputs for income-generating activities. The function of local markets as the household's main supplier of cash appears critical as households in rural areas in Burkina Faso hold very little cash. Traditional savings through livestock and granaries remain the most predominant forms of savings, though they are not always marketable as it is often the case with livestock.

Given the exclusive "monopolistic" position of local markets with respect to the household's transactions, one can infer that the profitability of activities and opportunities for new market niches, and financial deepening as well, depend essentially on the degree of development of local markets and on their integration to the rest of the economy. Profitable market niches exist to a certain extent across the different types of activities, but in most cases, households are not able to take advantage of them due to their limited financing capacity or due to the fact that they do not hold sufficient cash at the right time. When this is the case, households will search for means to facilitate the management of operating funds. In many cases, the household's inability to make the right investment at the right time raises the sunk and operating costs at a point where they offset all the potential benefits (Ali, 1993; Mai Tanimoune, 1993; Kongo, 1994; Naitormbaide, 1994; Wampfler, 1998). On the other hand, credit contracts will be set up and credit will be repaid only if borrowers can have access, on a sustainable basis, to more than one repayment source, or in other words, more than one cash-earning strategy. The pervasiveness of money keepers, professional lenders, and

especially of active and durable tontines in urban areas as compared to their mere presence in villages provides a good example of the importance of having a dynamic market environment for financial deepening.

III. What Can We Learn From the Recently Launched Microfinance Institutions ?

Most of the discussion here is based on evaluation studies conducted on four major microfinance projects launched in the late 1980s and beginning of 1990s in Burkina Faso (Poulain, 1995). These projects include the *Projet de Promotion du Petit Crédit Rural* (PPPCR), the *Caisses Villageoises d'Epargne et de Crédit* in the province of Sissili (CVECA), the *Association des Tontines* of Douna (ATN), and the *Association pour le Développement de la Région de Kaya* (ADRK) (Box 2). These evaluation studies provided interesting results about household demand for financial services, complementary to results drawn from research studies of the household economy.

The objective of these microfinance projects was to provide savings and credit services to populations impoverished by successive years of severe harvest deficits, in order to allow them to engage in income earning activities and to start an active wealth accumulation process. Regardless of the PPPCR's actual problems associated with its institutional building process, numerous studies have reported the relative success of these four projects, largely attributed to their context-adaptative approach.

With respect to our concern, evaluation studies of the performances of microfinance projects represent a rich source of information for the following reasons:

- All of the projects offer a large range of savings and/or credit services more or less targeted for some specific activities through the terms of the contract (duration, loan amount, etc.). Most of these products are not offered by the informal sector. Therefore, the analysis of their demand by the different socio-economic categories of households can reveal interesting information regarding characteristics of the household's demand unobserved until now and the adaptability of the supply.
- In the specific cases of the CVECAs and the ATN, since credit contracts are not limited to a certain number of products, we can push the analysis further and infer that the household's observed demand for credit services corresponds to the household's true demand, provided that there exists no limits on the amount of loan disbursed.
- Similarly, the comparison of the projects' performances in terms of outreach with the information we have on the household economies can also provide information about the household's behavior with respect to saving and credit. For example, wealthy households may not be members of any of the project because they demand financial services that are offered neither by the projects nor the informal sector.

Table 3 reports some of the most significant indicators for our analysis of household true demand for financial services.

Project Outreach and Potential Clientele

Results confirm the importance of women's demand for financial services. It is important to notice the significant difference in terms of female participation between projects, which target women (i.e. PPPCR and ATN), and the other (i.e. CVECA and ADRK). Female members represent respectively two-third and less than half of the total members in the first and second cases. Despite the fact that they are perfectly creditworthy and the fact that they can contribute significantly to the capital of microfinance institutions like the ATN, women continue to be socially excluded from most of the institutions.

In general, the access to microfinance institutions concerns individuals belonging to low and medium income level households. The poorest households most often choose not to borrow because they tend to exhibit a strong aversion to risky but potentially profitable enterprises. On the other hand, only a few wealthy households borrow from these microfinance institutions and most of them do so to either alleviate their cash constraint or to take advantage of interest-earning deposit services. Loans offered by projects are too small and too costly for individuals, who have a certain financing capacity. It is, however, important to notice that, in the case of the CVECAs, a larger percent of the savings collected come from village self-help groups and not from individuals (Poulain, 1995).

Credit Use And Characteristics of The Demand Satisfied And Unsatisfied

The Complex Allocation of Credit And Household Risk-Averse Behavior

In general, loans borrowed from all four projects are rarely used to finance new activities because of people's risk averse behavior. Less than half of the borrowers reported that credit was used to start a new activity. Most often, loans were used to complete poor operating capital or to restart an activity after a break. This underscores once more the critical role of credit in daily cash management and in sustaining an activity over time, in the context of transition economies.

In-depth studies of credit uses by women, who borrowed from the PPPCR, reveal that the allocation of credit can be quite complex. This allocation usually reflected a combination of both women's short term economic strategy of consumption smoothing (direct financing of the household's basic needs) and their long term strategy of wealth accumulation (investments in more than one activity traditionally practiced and in the purchase of sheep). This allocation of funds is perfectly consistent with the household's risk- management strategies.

At this point, it is important to discuss the relevance of some of the loan products offered by projects like the PPPCR, which have been designed to induce women to capture a certain number of market niches considered as profitable (Ali, 1993; Mai Tanimoune, 1993; Kongo, 1994; Naitormbaide, 1994). Examples of these products are credit designed for women who are specialized in the handcrafting of raw-made carpets. These credit products corresponded, indeed, to a demand formulated by women whose capital-constraint did not allow them to minimize the operating costs. Evaluations show positive results as women were able to constitute substantial stocks of inputs to lower the overall production costs and to improve their profits. However, women also stated that the market can

quickly reach its saturation point and limit thus their benefits (Barry, 1994). This single example suggests that knowledge about markets, and more precisely about supply and demand, constitutes an essential aspect of microfinance that was understated. In fact, the real problem encompasses the issue of market saturation and can be formulated as follows : how much of exogenous money can a transition economy absorb ?

Credit Demand For Agricultural Versus Rural Activities

The failures of agricultural development banks in the 1960s have long obscured the issue of the financing of agricultural activities and, more generally, of rural activities. Table 3 reports that in the case of the CVECAs, which offer non targeted credit services, 45 percent of the total number of loans have been used partially or totally by villagers to finance the purchase of agricultural inputs, including seeds, chemicals, animal feed, and labor.

Agricultural activities still provide employment to a high percent of the population and are completely integrated in rural households' activity diversification strategies. Rural households' demand for credit to finance agricultural activities remains substantial and very diverse. It includes the financing of input expenditures and major investments in livestock, machinery, and tree plantations (Ngobounan, 1992; Lesueur et Torre, 1993; Kongbo, 1994; Wampfler, 1998a). On the other hand, microfinance projects are recently looking for diversifying their credit portfolio and for attracting both new and old clients.

However, in a context characterized by high covariant risks and imperfect markets, these types of agricultural investments tend to be costly, risky, and most often not profitable in the short term. The complex allocation of non-targeted credit to both off-farm and farm activities, or to either one, demonstrates that households are perfectly aware of the limitations of agricultural credit. In fact, the right question to be formulated may be how both microfinance institutions and borrowers can lower the risk and cost associated with agricultural credit, given the micro and macro-economic characteristics of the economy.

The Use Of And Potential Demand For Deposit Services

Important lessons can be learnt from the CVECAs, the ATN, and the ADRK's experiences with respect to household savings mobilization. On the contrary of the PPPCR, these three projects offer voluntary savings services to their clientele. Indicators of the projects' performances regarding saving services clearly indicate that individuals do have a savings capacity and more important, households are interested in monetary savings instruments (Table 3). One should, however, push the analysis to characterize more precisely the nature of household savings behavior. Due to the nature of the ATN institutional design, which is based on the functioning of existing tontines, it is normal to find that the ATN's clients use only long term deposit services. Results from the CVECAs and the ADRK show more interesting patterns in the sense that members of these projects use equally term deposits and the equivalent of checking accounts. An evaluation study of the CVECAs in the Pays Dogon (Mali) actually shows that a majority of

individuals use checking deposits, some of them use both savings services, while wealthy individuals and village self-help groups prefer term deposits exclusively (Ouattara, 1997).

Savings patterns observed at the microfinance institutions' level are, indeed, perfectly consistent with the fact that many households are cash-constrained. In this specific case, checking account service allows households to smooth their monetary income, exactly the same way a professional money keeper would do. Only better-off households demand term deposit. These households have reached a certain degree of wealth accumulation and search for alternative interest-earning savings instruments, which are more secure than traditional forms of savings, such as livestock.

IV. Conclusion, Policy Recommendations, and Research Agenda

Characteristics of the Demand for Financial Services by Poor and Risk-Averse Households

With respect to empirical results from studies of household economies (Box 1) and of selected microfinance institutions' performances, we can point out three major findings :

- The household demand for financial services varies with age, gender, social responsibilities and status, income and food deficit levels, and with the degree of monetization and market penetration. Its diversity simply reflects the complexity of the household's organization in uncertain economies.

- In an uncertain environment, credit and savings services are demanded less to finance investment than to smooth both consumption and income, and particularly monetary inflows.
- Due to internal and external limitations, existing informal finance and formal microfinance projects can satisfy only part of the true demand. Improving the satisfaction of existing and future demand will require microfinance institutions to diversify their services furthermore and to reach more potential clients.

What Are The Potential Market Niches ? And How Far Can One Go ?

Several market niches for financial innovations exist, which due to their nature and magnitude, cannot be necessarily captured by existing informal financial institutions. The first of these market niches is related to the role of credit in household consumption smoothing. The supply of credit for direct consumption may not be the best solution considering the household's socio-economic environment. Given the fact individuals do have a certain saving capacity at given periods in time, despite their low degree of overall wealth accumulation, a larger spectrum of savings services, including checking accounts and different term deposits, and insurance services may be more adapted.

The second market niche is associated with the financing of agriculture. The CVECA experience showed that agricultural activities can be successfully financed. However, questions should be raised about the capacity of microfinance institutions to identify and to manage covariant risks.

In trying to adapt the supply to the demand, microfinance institutional innovations should also concentrate their attention on their outreach and on their clientele's graduation process. Both aspects are interrelated in the sense that it is in the institution's best interest to satisfy the demand of as many socio-economic categories of households as possible in order to increase the profitability of their services, to lower the portfolio's risk, and to induce their members to become regular customers. Creditworthy women and the better-off households are still excluded from the system. Likewise, building a long term relationship by taking into account the client's graduation process constitutes for an institution the best solution against asymmetric information.

In this paper, we have tried to discuss the fact that, in a context characterized by rapid changes and poverty, household demand for financial services is far more complex than one could imagine. The objective was not to analyze the microfinance institutional building process. Nevertheless, the satisfaction of such a demand certainly affects the design of microfinance innovations. We have briefly discussed the performances of four of the existing microfinance institutions. All of them claimed to have adopted a demand-leading approach. They exhibit, however, very different institutional designs and offer very diverse savings and credit services. It is interesting to ask ourselves which of the institutions offer the best services in terms of quality and cost. Given the same environment, can two different institutions achieve the same results regarding the supply of services adapted to the demand ? Or in other words, is there any comparative advantage attached to one institutional design ?

It is a great challenge for many of the microfinance institutions to supply the best financial services at the lowest sustainable cost to everybody. Asking them to achieve their role in financial intermediation and in optimizing the allocation of resources represents an even greater challenge. One should recognize the fact that the sustainability of microfinance institutions and their impact on the development of local economies depend on exogenous factors, such as the infrastructure and the development of well-functioning markets. It is not sufficient to offer adapted credit services to yield a positive impact on household welfare. Markets may quickly reach the saturation point and leave microenterprises in a situation of debt. We found that there is little information on markets and nobody knows exactly the extent to which an economy can absorb increasing monetary transactions.

This finding leads naturally to another relevant research question relating to the effects of market development on the performances of microfinance institutions in transition economies. Still, important work is to be done to formally identify the demand for financial services by the different socio-economic categories of households, which can be done through formal contingent valuations combined with market studies.

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The demand analysis developed in this paper is based for the majority on studies conducted by the Cirad in Burkina Faso. Four types of studies can be identified based on the research focus and the methodology used:

1. Analysis of Economic Strategies at the Household Level

This first type of studies corresponds to the first step of the research-action approach of the Cirad, which consists in elaborating a diagnosis of a given context to identify the relevant development issues and context-specific constraints. This diagnosis theoretically results in one or several development projects. The methodology used in this type of studies follows the French farming system approach, which underscores the diversity and the complexity of observed development contexts. Therefore, for a given context and going from the larger scale to smaller ones, the approach tries to identify the different agro-ecological regions, agrarian systems, farming systems, individual socio-economic strategies, and cropping systems. This exercise yields one or several typologies and allows one to recommend development action adapted to each situation. Regarding the topic of interest, these studies were able to identify different types of households based on (1) the objectives they have (food security, income maximization, etc.); (2) the socio-economic strategies they elaborate to achieve these objectives (income diversification, production specialization, etc.); (3) the constraints they face (high dependency ratio, capital constraints, etc.), and (4) structural criteria.

2. Analysis of Local/Regional Markets

Surveys of local and regional markets of key products (cereals and livestock) have been conducted by the Cirad in the four provinces of Burkina where the Projet de Promotion du Petit Credit Rural is operating. The objective was to gain a better understanding of the role of saving and credit for village and regional economies. The analysis was, therefore, concentrated on studying the importance of market exchanges for households, and in general, for economies in transition and on studying the profitability of key economic activities in order to drawn recommendations about new microfinance services. The data collected at regular intervals (weekly for most of them) include information on the different types of economic agents involved in market exchanges, their motivations, the volume of products exchanges, and the prices.

3. Market Analysis of Specific Credit Products

These studies were motivated by the demand for specific credit products expressed by the PPPCR's clientele. To be consistent with the demand-leading approach, the PPPCR has tried to diversify its credit activities and to adapt those to the demand. Loan officers recorded credit demand from potential clients and market analyses were launched based on this demand. For each type of credit service demanded, the analysis identified the existing market, the different types of economic agent involved, the profitability of the economic activity, and existing problems. Basic simulations are done in order to test the profitability of new credit products.

4. Monitoring and Evaluation of Microfinance Institutions

Two types of monitoring and evaluation studies of MFIs were conducted : financial and impact valuations. Financial valuations were done based on standard financial criteria. The impact assessments identified the effects of financial services from the points of view of the institution and the clientele. They include, therefore, institutional analyses on outreach and types of services offered. The impact analysis from the clients' point of view tried to overcome classical shortcomings of impact studies by focusing on the household's economic strategies and on the uses of saving and credit services with respect to the household economic strategies. One of the study used the Social Accounting Matrix to follow flows of money and try to identify the impact of credit injections in village economies.

Box 1. Description of the studies conducted by the CIRAD on household economies and microfinance institutions

1. The *Projet de Promotion du Petit Crédit Rural* (PPPCR)

Launched in 1988, the PPPCR's primary objective was to offer credit services to rural households, which were decapitalized following successive years of drought. The project was inspired by the Grameen Bank model. It offers diversified credit products to a clientele, composed in majority of women, organized in solidarity groups of five. Credit products are more or less targeted on specific income-generating activities. There is no saving services, but compulsory saving services. The PPPCR is now operating in four provinces of Burkina Faso (two in the North, one in the center-North, and one in the East region), with a pyramidal organization in which loan officers play a key role.

2. The *Association des Tontines de Nouna* (ATN)

Launched in 1991 by the CIDR, a French NGO, the objective of the ATN was to support the existing tontines and to promote the emergence of more dynamic and sustainable indigenous microfinance institutions. Tontines are composed of groups of 15 to 40 people, who decided of the rotating organization. The main innovation introduced was that each tontine holds three different types of account. Money contributed by the different members were used to finance (i) a common pot which goes to one member at each rotation, (ii) a credit fund which offers short term credit services with an interest rate of 2 to 3 percent per month, and (iii) term deposits, which are individual and earn interests. The ATN is operating in the center-West region of Burkina Faso.

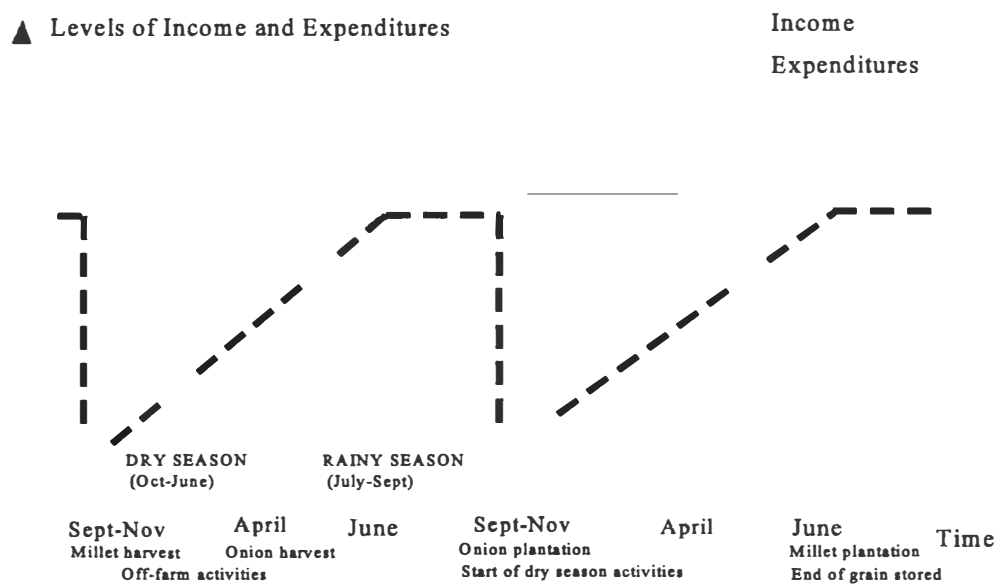
3. The *Caisses Villageoises d'Epargne et de Crédit Autogérées* in the Sissili Province (CVECA)

Launched in 1992 by the CIDR in the Province of Sissili (South-East of Burkina Faso), the CVECA's objective was to provide the rural poor with an access to sustainable financial institutions. The CVECA was designed in such a way that the village-based institutions have a complete financial and organizational autonomy. The CVECA offer diverse saving (one checking service and two different interest earning deposit services) and non-targeted credit products to villagers, who have to pay a fee to become members of the institution. The CVECA are managed by committees selected by villagers and the terms of the contracts are decided by villagers (interest rates on loans and savings are respectively about 40 and 20 percent).

4. The *Association pour le Développement de la Région de Kaya* (ADRK)

ADRK was created in 1969 in the North-East region to promote agricultural innovations and help increase farmers' income. Started as an NGO, the ADRK progressively transformed into an association of farmers with a mutualistic organization. The credit system was introduced only in 1993 to alleviate farmers' capital constraints and to promote investment. Members of the credit systems are organized into large groups managed by a village committee. The ADRK credit system offers on the one hand, individual short term and long term loans with interest rates ranging from 8 to 15 percent, and other hand, collective short term and long term loans at an interest of 37 percent to finance collective projects, such as a cereal bank. Thirty seven percent of the credit are in kind (agricultural machinery, cart, plow, bicycle, animals for fattening activity, etc.). The association offers also individual and collective saving services.

Box 2. Brief descriptions of the objectives and methodologies of four microfinance institutions launched in the late 1980s and beginning of the 1990s in Burkina Faso



Source : Ouattara et al. 1997

Figure 1. Seasonal Pattern of Household Income and Expenditures

ACTIVITY	OPERATING COSTS
WOMEN	
Food processing	7 000 to 16 000 FCFA per cycle of 7 days
Handicraft (mats, hats, etc.)	1 500 to 3 000 FCFA per cycle of 7 to 15 days
Restaurant	20 000 FCFA per day
Beer processing	22 400 FCFA per cycle of 5 days
Sheep fattening	8 000 to 16 000 FCFA per cycle
Small trading activity (milk, ingredients)	10 000 FCFA per cycle of 7 days
Trading of manufactured goods	15 000 to 30 000 FCFA per cycle of 7 days
Trading with substantial storage capacity	60 000 to 100 000 FCFA per cycle of 7 days
MEN	
Sale of labor force for manual tasks (cultivation, construction, etc.)	500 FCFA per day + food
Animal fattening (sheep and cattle)	10 000 to 70 000 FCFA per cycle
Livestock trading at the local level	20 000 to 50 000 FCFA per cycle
Livestock trading at the regional level	400 000 to 900 000 FCFA per cycle
Trading of manufactured goods	50 000 to 100 000 FCFA per cycle
Production of cashcrops (potatoes, onions)	450 000 to 2 600 000 FCFA per hectare and per cycle (once a year)

Sources: Ahamadi, 1993; Abel, 1994; Ngobounan, 1992; Naitormbaide, 1994; Barry, 1994; Kuela, 1996; Nguyen, 1998.

Table 1. Activities traditionally practiced by women and men and their operating costs

Operating Costs and Benefits of Processing Oil from Groundnuts	Woman who purchased a substantial stock of groundnuts at harvest time	Woman who purchases small quantities of groundnuts on a daily basis
Cost of groundnuts (FCFA per bag)	4 500	7 000
Output in oil (liter per bag of groundnuts)	12	12
Output in edible (kg per bag of groundnuts)	24	24
Sale price of oil (FCFA per liter)	600	600
Sale price of groundnut edible (FCFA per kg)	50	50
Total sale price (FCFA per bag of groundnut)	8 400	8 400
Extra operating costs (FCFA per bag of groundnuts)	800	800
Profit margin (FCFA per bag of groundnuts)	3 100	600

Source: Wampfler, 1998b.

Table 2. An example of the impact of self-financing capacity on the profitability of an activity

	PPPCR	ATN	CVECA	ADRK
Date of creation	1988	1991	1992	1993
Number of members	9000	686	7046	8579
Percent of women	98	60	30 to 47	21
Major funding source	external	internal	internal	external
Nature of credit	in cash and theoretically non targeted	in cash and non targeted	in cash and non targeted	in cash and non targeted and agricultural credit in kind
Total credit disbursed (million FCFA)	105	8,4	50	100
Average credit (FCFA)	25 000	4 000 to 7 000 ¹	30 000	49 300
Minimum amount (FCFA)	2 500	15 000	500	30 000
Maximum amount (FCFA)	50 000	500 000	40 000	65 000
Repayment rate (%)	98,5	100	100 - -	95
Percent of borrowers having used credit to finance a new activity	44	20	32	43
Total savings collected (million FCFA)	56 (compulsary)	1,97 (voluntary)	75 (voluntary)	63 (voluntary)
Percent of members who save on a regular basis	0	80	100	71
Percent of savers who have a checking account	0	0	68	57
Percent of savers who have a term deposit	0	100	45	57

1. Average amount depending on the amount of contributions accumulated by the group of women

Source: Poulain, 1995

Table 3. Performances of four microfinance institutions in Burkina Faso

Le rôle de la microfinance dans l'agriculture

Face à l'échec des banques et des projets de développement en matière de financement des petits entrepreneurs agricoles et ruraux du Sud, des institutions de microfinance (IMF) se sont développées depuis dix ans. Si certaines d'entre elles atteignent aujourd'hui des performances significatives en matière de financement d'activités productives rurales, leur capacité à financer l'agriculture semble pour l'instant limitée. Dans quelle mesure les innovations dans le domaine de la microfinance ouvrent-elles des perspectives pour le financement de l'agriculture ? Un programme de recherche sur ce thème est en cours au CIRAD.

Partenariat

- Institutions de financement rural du Sud
PPPCR et Caisses villageoises d'épargne et de crédit au Burkina
FECECAM et projet Gapke au Bénin
FIFATA et Caisses villageoises à Madagascar
IMF GRET et ISA/FOS au Vietnam
IMF EMT au Cambodge
- Opérateurs de microfinance du Nord
GRET, IRAM, CIDR, FERT
- Institutions de formation du Nord et du Sud
CNEARC, ENSAM, FASEC du Burkina

Dans quelles conditions les institutions de microfinance peuvent-elles durablement contribuer au financement de l'agriculture ?

- ❑ Dans quelle mesure les IMF existantes sont-elles adaptées aux besoins spécifiques du développement agricole ?
- ❑ Comment raisonner la liaison entre microfinance, changement technique et accompagnement technique ?
- ❑ Quelles sont les conditions de viabilité des IMF qui intègrent le financement de l'agriculture ?

Méthode de recherche

- ❑ Analyse comparative de différents types d'IMF dans des contextes agricoles contrastés
- ❑ Analyse croisée de l'offre (institution de microfinance) et de la demande (ménages) en matière de financement agricole

Pays	Critères de choix		Problématique majeure
	Contexte agricole	Types d'IMF présentes	
Burkina Faso	Agriculture sahélienne et soudano-sahélienne Importance de l'élevage	* Banque publique agricole * Crédit solidaire * Caisses villageoises * Réseau mutualiste	* Financement d'une agriculture en contexte agroclimatique difficile * Epargne animale versus épargne monétaire
Bénin	Zone cotonnière Agriculture diversifiée	* Réseau mutualiste * Crédit solidaire	* Financement de l'équipement agricole * Appui à la diversification
Niger	Agriculture sahélienne avec quelques zones irriguées intensives	* Peu d'institutions de financement rural * Crédit solidaire * Microfinance privée	* Financement d'une agriculture en contexte agroclimatique difficile
Madagascar	Agriculture diversifiée et productive	* Réseau mutualiste * Caisses villageoises	* Innovations en matière de financement de l'équipement
Vietnam	* Agriculture diversifiée et productive * Fronts pionniers	* Banque agricole publique * Crédit solidaire	* Complémentarité/concurrence entre banque agricole et IMF
Cambodge	Agriculture diversifiée	* Crédit solidaire	* Financement de l'équipement
Indonésie	Agriculture diversifiée	Très grande diversité d'institutions publiques et privées	* Complémentarité/concurrence entre les institutions finançant l'agriculture



Premiers résultats

Les ménages agricoles, même quand ils ont accès à un IMF à objet de crédit ouvert, ne font pas systématiquement le choix d'investir dans l'agriculture :

- ❑ les besoins de financement s'insèrent dans les besoins plus complexes des unités économiques ;
- ❑ les choix d'investissement dans l'agriculture ne se font que si celle-ci est rentable.

L'offre financière des IMF se concentre sur des activités rurales telles que le commerce, l'artisanat, la transformation agroalimentaire, qui génèrent des revenus réguliers, relativement sûrs, avec des cycles de rotation du capital rapides limitant les risques et permettant des taux de rentabilité élevés. L'agriculture présente rarement ces caractéristiques.

Les spécificités de la demande agricole induisent des contraintes fortes pour les IMF :

- ❑ risque : incertitude sur la production, risques covariants (climatique, sanitaire...), risques économiques ;
- ❑ diversité des services nécessaires : besoins de trésorerie, de fonds de roulement, d'investissements à moyen et long terme

L'intérêt des IMF pour le financement de l'agriculture varie en fonction des performances et des risques de l'activité agricole :

- ❑ au Burkina, les IMF n'intègrent que très faiblement le financement agricole ;
- ❑ à Madagascar, les IMF financent fortement l'agriculture et proposent des innovations en matière de financement de l'équipement agricole.

Le système de garantie solidaire est peu adapté au financement de l'agriculture :

- ❑ risque covariant sur les crédits pour les intrants ;
- ❑ montant trop élevé pour les crédits d'équipement.

De ce fait, les garanties mises en place par les IMF pour les crédits à moyen terme sont le plus souvent matérielles (foncier, équipement, cheptel) et leur efficacité est conditionnée par l'existence d'un marché des biens permettant éventuellement de réaliser la garantie (marché foncier, marché du matériel agricole d'occasion...)



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The role of micro-finance in agriculture

Many micro-finance institutions (MFIs) have emerged in the last decade following the failure of agricultural banks and development projects with respect to the financing of agricultural and rural micro-enterprises in developing countries. Nowadays, some MFIs have reached significant results in terms of financing rural income-generating activities, but, as a matter of fact, their capacity to finance agricultural development tends to be limited. To what extent can micro-finance innovations allow for agricultural finance? A research program is being conducted by the Cirad on this issue.

Under which conditions can MFIs contribute to the development of agricultural finance on a sustainable basis?

- ❑ To what extent are existing MFIs adapted to the specific problems of agricultural development?
- ❑ How should one consider the relationship between micro-finance, technical changes and technical assistance?
- ❑ What are the necessary conditions to ensure the sustainability of MFIs involved in agricultural finance?



Photo: P. Dugué

Primary Results

Agricultural households do not systematically choose to invest in agricultural activities, even when they have access to MFIs which offer non-targeted credit:

- ❑ Household demand for credit is one among many of the household's complex economic strategies;
- ❑ Decisions with respect to agricultural investments are made only when the latter are profitable.

The MFIs' supply of financial services is concentrated on rural activities such as trading, handicraft, and cottage industries, which generate regular and relatively secure income flows. In the case of these activities, rapid rotations of the working capital reduce risks and yield high returns. Agricultural activities rarely have such characteristics.

The interest of MFIs for agriculture varies with respect to the performances and risks attached to agricultural activities:

Research methodology

- ❑ Comparative analysis of different types of MFIs in contrasting agricultural contexts
- ❑ Analysis of both the supply side (micro-finance institutions) and the demand side (household demand for agricultural micro-finance services)

Country	Selection criteria		Major issues
	Agricultural context	Types of MFIs	
Burkina Faso	Sahelian and Soudano-sahelian agriculture Importance of livestock	<ul style="list-style-type: none"> • Public agricultural banks • Group lending programs • Village banks • Mutualistic networks 	<ul style="list-style-type: none"> • Developing agricultural finance in risky agro-climatic context • Savings in livestock versus monetary savings
Benin	Cotton area Diversified agriculture	<ul style="list-style-type: none"> • Mutualistic network • Group lending programs 	<ul style="list-style-type: none"> • Financing agricultural equipment • Support to diversification strategies
Niger	Sahelian agriculture with some intensive agricultural areas under irrigation	<ul style="list-style-type: none"> • Few rural micro-finance institutions • Group lending programs • Private micro-finance 	<ul style="list-style-type: none"> • Developing agricultural finance in risky agro-climatic context
Madagascar	Diversified agriculture Cashcrops	<ul style="list-style-type: none"> • Mutualistic network • Village banks 	<ul style="list-style-type: none"> • Innovations in terms of credit for equipment
Vietnam	<ul style="list-style-type: none"> • Diversified agriculture • Areas with new settlements 	<ul style="list-style-type: none"> • Public agricultural banks • Group lending programs 	<ul style="list-style-type: none"> • Complementary relationship or competition between MFI and agricultural bank
Cambodge	Diversified agriculture	• Group lending projects	• Financing of equipment
Indonésie	Diversified agriculture	Diverse public and private institutions	• Complementary relationship/competition among MFIs financing agriculture

Partnership

• Rural micro-finance institutions in developing countries
PPPCR and the *Caisses villageoises d'épargne et de crédit* in Burkina
FECECAM and the Capke project in Benin
FIFATA and the *Caisses villageoises* in Madagascar
IMF GRET and ISA/FOS in Vietnam
IMF EMT in Cambodia

• European micro-finance operators
GRET, IRAM, CIDR, FERT

• Training institutions
CNEARC (France), ENSAM (France), FASEG (Burkina Faso)



Photo: P. Dugué



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- ❑ In Burkina Faso, MFIs are rarely engaged in agricultural finance;
- ❑ In Madagascar, MFIs are actively involved in servicing the agricultural sector and do offer innovations in terms of credit services to finance agricultural equipment.

Group lending technology as a substitute to collateral is not well adapted to agricultural finance:

- ❑ Covariant risks are important in the case of credit allocated to input purchases;
- ❑ The volume of credit necessary to finance equipment is too high.

Therefore, guarantee systems set up by MFIs for medium term credit rely most often on traditional collaterals (land, equipment, livestock) and their effectiveness depends on the existence of well-functioning markets for the products accepted as collaterals.

Le site **Pôle Microfinancement**

est mis en oeuvre par le Gret et le Cirad, deux organismes impliqués dans le champ du microfinancement comme opérateurs, mais aussi en recherche-action, capitalisation et communication.

Le **Cirad** est un organisme scientifique français qui a pour mandat de contribuer au développement économique et social des régions chaudes. Dans le cadre de ce mandat, le Cirad conduit des activités de recherche-développement dans le domaine du microfinancement. Il a contribué à la création de systèmes de microfinancement qui atteignent aujourd'hui une taille significative pour le développement en Afrique et Europe méditerranéenne. Ses travaux de recherche sont étroitement liés aux activités de développement : diagnostic, études de cas, analyse d'impact, activités de formation.

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Le **Gret**, ONG internationale, conçoit et mène des actions de développement local dans environ vingt pays, en Afrique, en Asie, en Amérique latine et en Europe. Entre autres activités, le Gret conduit une dizaine de projets visant à mettre en place des institutions de microfinancement. Il mène également sur ce thème des recherches, publie articles ou synthèses d'études, intervient en formation, en animation et en appui auprès des opérateurs locaux.

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**Pôle
Microfinancement**

Pôle Microfinancement

Site Internet francophone au service des acteurs du microfinancement

Des informations concrètes, actualisées et classées

Références bibliographiques
Coordonnées et descriptif d'organismes et compétences
Fiches analytiques sur les projets et institutions
de microfinancement

Un espace de discussion

Le site est consultable à l'adresse provisoire suivante :
<http://www.cirad.fr/mcredit/present.html>
Adresse de messagerie : microfinancement@cirad.fr

Pôle Microfinancement

- **Pôle Microfinancement** est un outil de travail au service des acteurs du microfinancement. Opérateurs, ONG, bailleurs de fonds, chercheurs ou étudiants doivent pouvoir y trouver en langue française des informations utiles pour leur activité.

La **base de données bibliographiques** regroupe près de 500 références :

- classées par thème, par pays, par mots-clefs ainsi que par auteur et éditeur ;
- accompagnées d'un résumé en français (pour les deux tiers) ;
- avec une traduction du titre en français quand il s'agit de références anglophones et hispanophones.

Les **fiches analytiques** expériences s'appuient sur un travail de capitalisation. Sous un format standard, elles proposent des données précises et synthétiques présentant une première analyse des projets et institutions de microfinancement à travers :

- leurs objectifs ;
- leurs méthodes ;
- leur organisation ;
- leurs résultats et évolutions.

La **base de données Organismes** donne accès aux coordonnées et à un descriptif des :

- bailleurs de fonds ;
- compétences existantes en matière d'expertise, de suivi évaluation, d'appui aux projets, de formation ;
- acteurs engagés dans la mise en place de systèmes de microfinancement ;
- sources documentaires (centres de documentation, universités, éditeurs, etc.).

L'**espace de discussion** est une liste de diffusion ouverte à tous sur simple inscription. Ce lieu francophone d'échange permanent sur le thème du microfinancement doit permettre de tisser des liens entre les acteurs à travers le partage de réflexions, de contacts, d'expérience, de questions, etc.

